



Palo Verde-Yuma Project

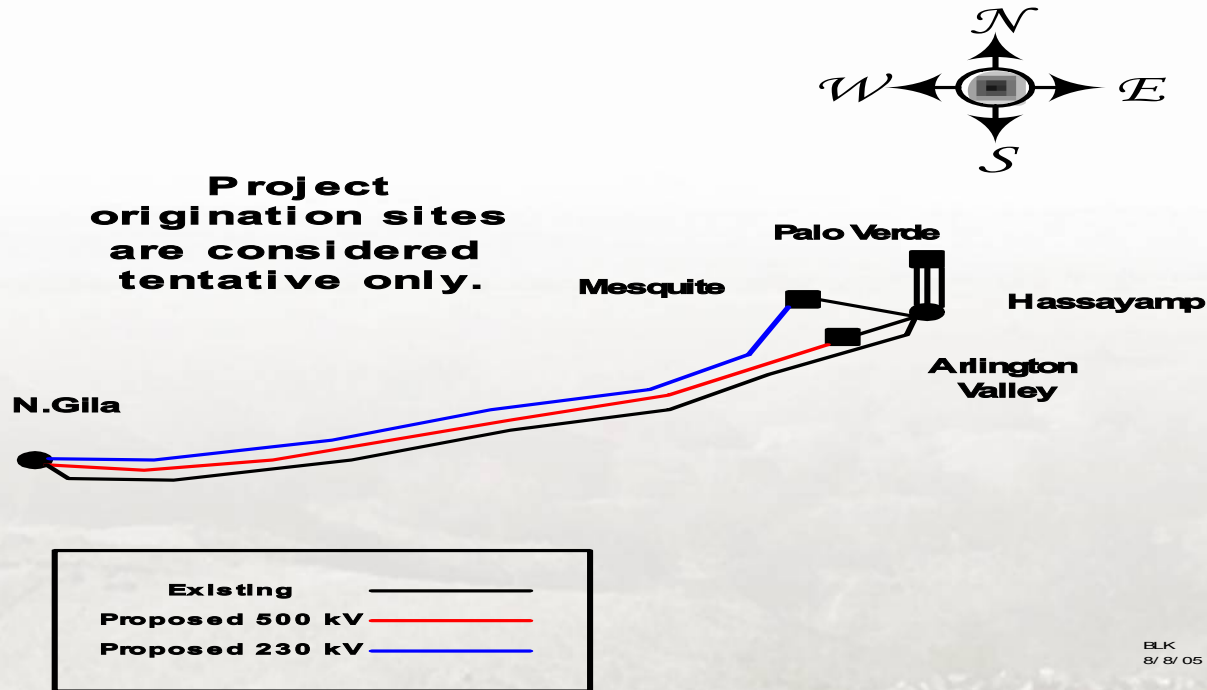
**STEP Meeting
May 5, 2006**

**Bob Smith
APS**





Palo Verde-Yuma Project





Palo Verde-Yuma Project Summary

- Tentative in-service date is summer 2012 per APS Ten Year Plan, however interest exists to accelerate in-service date to summer 2010.
- Present need for the project is to add import capability to the Yuma Area and increase transfer capability from the PV hub to the Yuma Area.
- Expected load growth, technical studies, and interest from other parties will be used to determine whether 500kV or 230 kV project but long-term load growth will probably dictate 500kV.
- A tentative study plan has been drafted and additional comments have been received by group members. Preliminary feasibility analysis shows 500-600mw capability.



Regional Challenges

- The Yuma area grew by almost 50% between 1990 and 2000
- Yuma is the third fastest growing area in the United States
- Average household usage of electricity in Arizona has increased more than 20% in the last decade
- Additional electrical resources are required in the Yuma area to meet demand



Project Purpose and Need

- Provides infrastructure to bring bulk power into high-growth area
- Strengthens entire transmission system by providing additional high-voltage source into Yuma area
- Allows export of power from generating sources at or near PVNGS
- Increased access to low-cost resources



Project Description

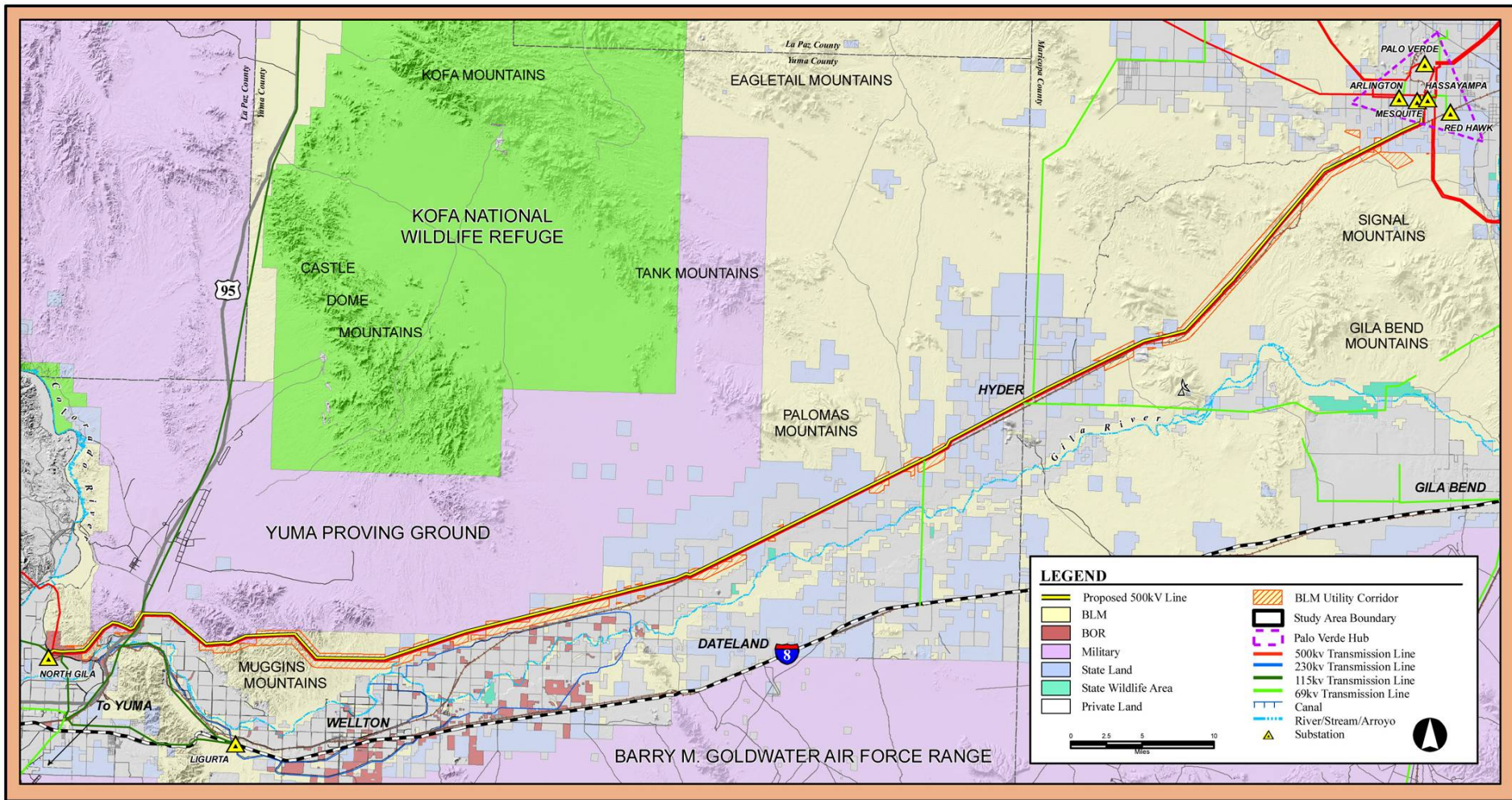
- 500kV single-circuit transmission line approximately 115 miles in length
- Tubular or lattice tower structures 130' – 150' high, spaced approximately 600' – 1,800' apart
- Originates at the PVNGS hub and terminates at the existing North Gila Substation (northeast of Yuma)
- Project cost – approximately \$250 million
- Potential Participant Project



Palo Verde-Yuma Project

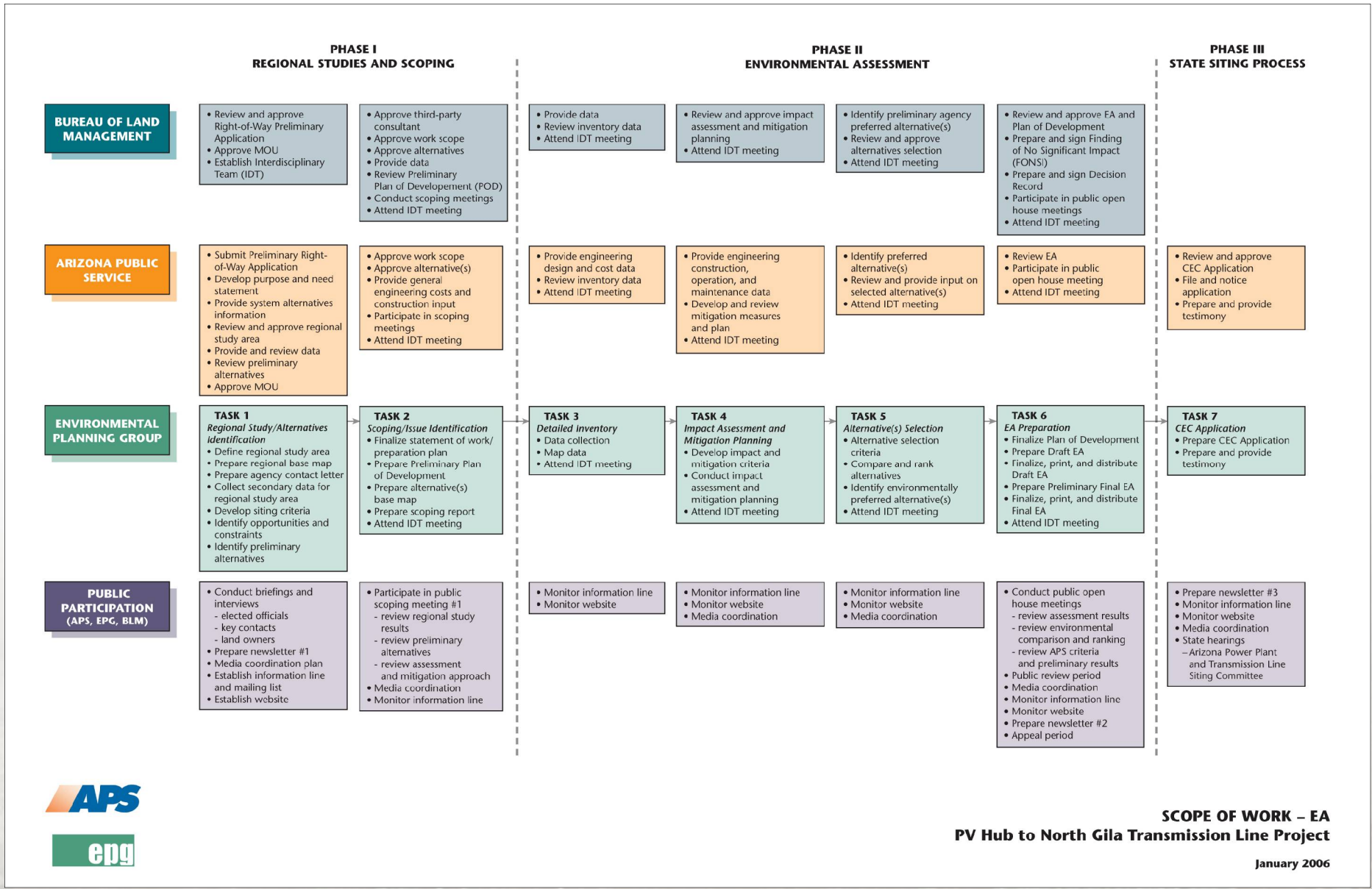
Interested Potential Participants

- Arizona Public Service
- Imperial Irrigation District
- Wellton-Mohawk Irrigation and Drainage District
- Salt River Project
- Initial interest from San Diego Gas and Electric but since have elected not to participate in permitting



Proposed Corridor





SCOPE OF WORK – EA

PV Hub to North Gila Transmission Line Project

January 2006



Permitting Tasks and Schedule





Public Involvement Activities

- Jurisdictional Meeting(s)
- Project Newsletters
 - First newsletter – to be mailed February 2006, available in English and Spanish
- Open Houses – March 1st and March 2nd
- Project Website – <http://siting.aps.com>
- Telephone Information Line – (888) 206-6166 available in English and Spanish
- Comment Forms



Permitting Status

- Hired EPG for environmental studies 3rd quarter 2005
- Filed BLM R/W application 4th quarter 2005
- Held BLM ID Team Meeting on 1-18-06
- Held jurisdictional meetings in Yuma on 1-26-06
- Mailed project newsletters to study area and interested parties mid-February 2006
- Held project Open Houses in Dateland and Yuma on 3-1 and 3-2 2006



Permitting Schedule

- EA (Summer 2006)
- BLM FONSI and Decision Record (Fall 2006)
- CEC submittal to State of Arizona (Fall 2006)
- CEC hearings and approval (Spring 2007)
- Project in-service (2012)



Project Status

- Kickoff meeting on 5/18/05 to describe project and identify interests.
- Met on 6/15/05, 9/18/05, 12/12/05, & 03/28/06 to discuss allocation and permitting issues.
- Permitting MOU approved via call April 18, 2006 and expect all parties to execute by June 1, 2006.
- Performance category upgrade request for lines in common corridor submitted to WECC in April 26, 2006.
- Preliminary study results are expected by this fall.



Questions?